

## § 560.301

(2) For purposes of paragraph (a) of this section, the term *knowingly* means that the person engages in the transaction with actual knowledge or reason to know.

(3) For purposes of paragraph (a) of this section, a person is “subject to the jurisdiction of the Government of Iran” if the person is organized under the laws of Iran or any jurisdiction within Iran, ordinarily resident in Iran, or in Iran, or owned or controlled by any of the foregoing.

NOTE TO PARAGRAPH (b) OF § 560.215: See § 560.304 of this part for the definition of the term *Government of Iran*.

(c) The prohibition in paragraph (a) of this section does not apply to any activity relating to a project:

(1) For the development of natural gas and the construction and operation of a pipeline to transport natural gas from Azerbaijan to Turkey and Europe;

(2) That provides to Turkey and countries in Europe energy security and energy independence from the Government of the Russian Federation and the Government of Iran; and

(3) That was initiated before August 10, 2012, pursuant to a production-sharing agreement, or an ancillary agreement necessary to further a production-sharing agreement, entered into with, or a license granted by, the government of a country other than Iran before August 10, 2012.

NOTE TO PARAGRAPH (c) OF § 560.215: The exemption in paragraph (c) of this section applies to the Shah Deniz natural gas field in Azerbaijan's sector of the Caspian Sea and related pipeline projects to bring the gas from Azerbaijan to Europe and Turkey.

(d) The prohibition in paragraph (a) of this section does not apply to the authorized intelligence activities of the United States Government.

NOTE TO § 560.215: A U.S. person is subject to the civil penalties provided for in section 206(b) of the International Emergency Economic Powers Act (“IEEPA”) (50 U.S.C. 1705(b)) if any foreign entity that it owns or controls violates the prohibition set forth in this section. See § 560.701(a)(3) of this part for civil penalties.

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## 31 CFR Ch. V (7–1–14 Edition)

### Subpart C—General Definitions

#### § 560.301 Effective date.

The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part as follows:

(a) With respect to the prohibitions and directives in § 560.201 and §§ 560.204 through 560.209 is 12:01 a.m., Eastern Daylight Time, August 20, 1997. For the effective date of pre-existing regulations and directives, see the Executive orders in the Authority citation for this part and implementing regulations.

(b) With respect to prohibited transfers or other dealings in blocked property and interests in property of the Government of Iran, as defined in § 560.304, and Iranian financial institutions, as defined in § 560.324, 12:01 a.m. eastern standard time, February 6, 2012; and

(c) With respect to a person whose property and interests in property are otherwise blocked pursuant to paragraph (c) of § 560.211, the earlier of the date of actual or constructive notice that such person's property and interests in property are blocked.

#### § 560.302 [Reserved]

#### § 560.303 Iran; Iranian.

The term *Iran* means the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to an international agreement. The term *Iranian* means pertaining to Iran as defined in this section.

#### § 560.304 Government of Iran.

The term *Government of Iran* includes:

(a) The state and the Government of Iran, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iran;

(b) Any person owned or controlled, directly or indirectly, by the foregoing;

(c) Any person to the extent that such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly, for or on behalf of the foregoing; and

(d) Any other person determined by the Office of Foreign Assets Control to be included within paragraphs (a) through (c) of this section.

NOTE 1 TO § 560.304: The names of persons that OFAC has determined fall within this definition are published in the FEDERAL REGISTER and incorporated into the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List ("SDN List") with the identifier "[IRAN]." The SDN List is accessible through the following page on the Office of Foreign Assets Control's Web site: *www.treasury.gov/sdn*. However, the property and interests in property of persons falling within the definition of the term *Government of Iran* are blocked pursuant to § 560.211 regardless of whether the names of such persons are published in the FEDERAL REGISTER or incorporated into the SDN List.

NOTE 2 TO § 560.304: Section 501.807 of this chapter describes the procedures to be followed by persons seeking administrative reconsideration of OFAC's determination that they fall within the definition of the term *Government of Iran*.

**§ 560.305 Person; entity.**

(a) The term *person* means an individual or entity.

(b) The term *entity* means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

**§ 560.306 Iranian-origin goods or services; goods or services owned or controlled by the Government of Iran.**

(a) The terms *goods of Iranian origin* and *Iranian-origin goods* include:

(1) Goods grown, produced, manufactured, extracted, or processed in Iran; and

(2) Goods which have entered into Iranian commerce.

(b) The terms *services of Iranian origin* and *Iranian-origin services* include:

(1) Services performed in Iran or by an entity organized under the laws of Iran or any jurisdiction within Iran, or a person residing in Iran; and

(2) Services performed outside Iran by a citizen, national or permanent resident of Iran who is ordinarily resi-

dent in Iran, or by an entity organized under the laws of Iran or any jurisdiction within Iran.

(c) The term *goods or services owned or controlled by the Government of Iran* includes:

(1) Goods grown, produced, manufactured, extracted or processed by the Government of Iran or goods in its possession or control; and

(2) Services performed by the Government of Iran.

(d) The terms *services of Iranian-origin*, *Iranian-origin services*, and *services owned or controlled by the Government of Iran* do not include:

(1) Diplomatic and consular services performed by or on behalf of the Government of Iran;

(2) Diplomatic and consular services performed by or on behalf of the Government of the United States; or

(3) Services performed outside Iran by an Iranian citizen or national who is resident in the United States or a third country, provided such services are not performed by or on behalf of the Government of Iran (other than diplomatic and consular services), an entity organized under the laws of Iran or any jurisdiction within Iran, or a person located in Iran.

**§ 560.307 United States.**

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

**§ 560.308 Importation of goods.**

With respect to goods (including software), the term *importation* means the bringing of any goods into the United States, except that in the case of goods transported by vessel, *importation* means the bringing of any goods into the United States with the intent to unlade them.

**§ 560.309 [Reserved]**

**§ 560.310 License.**

Except as otherwise specified, the term *license* means any license or authorization contained in or issued pursuant to this part.